GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA

UNSTARRED QUESTION NO:171
ANSWERED ON:19.11.2001
INCREASE IN AIR FARE
DALPAT SINGH PARASTE;YOGI ADITYANATH

Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether the Government propose to increase air fare;

(b) if so, the reasons therefor; and

(c) the percentage of the hike proposed in passenger fares?

Answer

THE MINISTER OF CIVIL AVIATION (SHRI SYED SHAHNAWAZ HUSSAIN)

(a),(b) and (c): In view of the increase in insurance premium, Indian Airlines has now introduced Insurance Charge on its domestic/international services as follows:-

Domestic Services

- INR - 100 per sector on rupee fares with effectfrom 1st October,2001 increased to INR-250per sector with effect from 1st November,2001.

- USD- 2 per sector on USD fares with effect from 1st October,2001 increased to USD - 5per sector with effect from 1st November,2001.

International Services

- USD - 2 per sector with effect from 1stOctober,2001 for journey ex-India increased to USD - 5 per sector with effect from 1st November,2001.

- For journeys from other countries into India, practice of the national carriers of the country concerned is being followed.

Indian Airlines has with the approval of the Government adopted a Flexible Fare Policy w.e.f.25th May,2001. The Flexible Fare Policy will enable Indian Airlines to consider fare variations (increase or decrease) on sector to sector and season to season basis depending on a variety of factors including market size, share price sensitivity and other market related factors. With the Flexi Fare Policy an endeavour has been made to make the fares market based.